



Department of Justice

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Western District of Kentucky

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**LOCAL PHARMACIST PLEADS GUILTY TO CAMPAIGN
CONTRIBUTION FRAUD AND HEALTHCARE FRAUD**

-Inappropriate campaign contributions made to Congressional candidate

-United States claims \$5.8 million loss from sale of sample drugs

LOUISVILLE, KY - **BRIAN ULLOM**, age 38, of Louisville, Kentucky, **pled guilty** to making campaign contributions in the names of others and to illegally selling prescription drug samples to the public through Reuben's Pharmacy in Louisville, Kentucky, U.S. Attorney David L. Huber of the Western District of Kentucky announced today.

During the course of the health care fraud investigation, Ullom admitted that, beginning on October 21, 2004, and continuing until October 28, 2004, he knowingly and willfully made campaign contributions to "Tony Miller for Congress" in the name of seven other persons. In each instance, at Ullom's request, an individual, or a "straw" contributor, made a \$2,000 campaign contribution to "Tony Miller for Congress". Ullom, the real contributor, in turn, reimbursed the "straw" contributor the entire \$2,000 contribution with checks drawn from his business, Rueben's Pharmacy. In total, Ullom contributed \$14,000 to "Tony Miller for Congress" in the name of 7 other people in violation of 2 United States Code 441f, 437g(D).

Regarding the fraudulent campaign contributions, U.S. Attorney Huber stated that the charge came up during the health care fraud investigation of Ullom and there were no other violations brought to the attention of federal authorities. Consequently, there is no further

investigation of this matter.

Ullom further admitted that, beginning in 2002 and continuing through October, 2006, he sold, purchased, and traded prescription drug samples to the public. During that time, Ullom obtained prescription drug samples by purchasing the drug samples from others, including a local physician and a pharmaceutical company sales representative. After obtaining the drug samples, Ullom, with the help of others, removed the drug samples from their original sample packaging and sold the drug samples to the public through his pharmacy, operating as Rueben's Pharmacy. At the time of each sale of the drug samples, Ullom knew that the drugs were drug samples and resold the drugs with the intent to defraud and mislead the purchaser by selling the sample drugs as drugs properly obtained and dispensed. Moreover, around the time of each sale, Ullom billed the patient and the patient's insurance provider, including Medicare and Medicaid, for the drug samples.

Finally, Ullom also admitted that he had billed insurance companies for prescriptions that were never filled. Specifically, beginning in 2001 and continuing through October 12, 2006, Ullom, along with others, knowingly, and with the intent to defraud, billed healthcare benefit programs, including Medicaid, for prescriptions that were never filled.

According to the plea agreement, the United States intends to seek \$5,867,907 in restitution for losses caused by Ullom's inappropriate sale of sample drugs. Of this amount, the United States has estimated that \$4,195,423.20 would be payable to the Centers for Medicare and Medicaid Services and \$1,672,483.80 would be payable to the Kentucky State Treasurer, Cabinet for Health Services. The defendant retained the right to contest this amount.

The maximum potential penalties are 22 years imprisonment, a \$750,000 fine, and supervised release for a period of 3 years. Under the campaign contribution charge, the minimum fine is 300% of the amount involved, which for this case is \$42,000.

The case was prosecuted by Assistant United States Attorney Eric Long, and it was investigated by the Federal Bureau of Investigation, the U.S. Food & Drug Administration - Office of Criminal Investigations, and the Office of Inspector General of the Department of Health and Human Services.

The plea was entered before James D. Moyer, Magistrate Judge, United States District Court, Louisville, Kentucky.

Ullom is scheduled to be sentenced before Chief Judge John G. Heyburn II on August 18, 2007, at 2:00 p.m., in Louisville, Kentucky.

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